

PETTY CASH/PETTY CASH ACCOUNTS

Petty cash funds shall be established at each school, cafeteria, district office, summer school and the after school program for the purchase of materials, supplies or services under conditions requiring immediate payment.

The amount of each fund will not exceed \$100.00. The Board of Education shall appoint a custodian for each petty cash fund who shall administer and be responsible for such fund.

To ensure that these funds are properly managed, the following guidelines shall be followed:

1. Receipts and cash-on-hand must always total the authorized fund amount. All disbursements from such funds are to be supported by receipted bills or other evidence documenting the expenditure.
2. Payments may be made from petty cash for materials, supplies, or services requiring immediate payment. Sales tax on purchases will not be paid by the school district from petty cash funds.

The district shall reimburse uses of petty cash funds up to the extent of expenditures, with appropriate documentary support and as approved by the claims auditor. Petty cash funds provided for buildings or activities that do not operate during July/August must be closed out on June 30 and reestablished by Board of Education action at the reorganizational meeting of the Board in July.

Ref: Education Law §§1604(26); 1709(29)
8 NYCRR §170.4

Adoption date: November 17, 2009

PETTY CASH ACCOUNTS REGULATION

Petty cash is a small amount of discretionary funds in the form of cash used for expenditures where it is not sensible to make the disbursement by check, because of the inconvenience and costs of writing, signing and then cashing the check.

The initial fund is created by issuing a check of \$100.00 for small business needs. The entry for this initial fund is to transfer funds from cash to petty cash.

As expenditures are made, the petty cash custodian will reimburse employees and secure a petty cash voucher in return. At any given time the total of cash on hand plus reimbursed vouchers must equal the original fund.

The employee at the building level who has been authorized to make payments from a petty cash fund is directly responsible for the administration of the fund.

Security of Petty Cash Funds:

The petty cash custodian is personally responsible for the cash which was specifically issued to him/her. Therefore, access to the fund must be limited to the custodian. Cash and receipts for unreimbursed expenditures must be kept in a locked container such as a fire-proof file cabinet, safe, or other suitable device to which unauthorized access is difficult.

Establishing a Petty Cash Fund:

A petty cash fund may be established to improve the efficiency of building level operations. These funds are available to purchase minor items when it would be otherwise impractical to purchase items through the usual purchasing methods..

These funds are subject to periodic audits. Recurring audit findings may result in the petty cash fund being revoked.

The custodian is responsible for ensuring the cash on hand and receipts equal the authorized amount of the fund at all times. Petty cash funds must be kept separate from change funds, cash drawers, personal funds, and any other collected revenue.

Petty Cash Fund Purchases:

Disbursements from petty cash funds must be properly documented and for a valid District business purpose.

Petty cash funds **MAY NOT** be used for the following:

- Items / receipts in excess of \$20.00

- Items that are intended to be used or consumed by District employees on or off campus for other than District use
- Advertising
- Alcoholic beverages and tobacco
- Animals (laboratory)
- Automotive repairs (accident related)
- Cashing of personal checks or providing personal loans
- Chemicals
- Clothing
- Controlled substances
- Cylinder gases and liquid nitrogen
- Donations
- Flowers
- Hazardous materials
- Hospitality expenses greater than \$5, such as music or entertainment
- Leases and rentals
- Maintenance agreements
- District letterhead, business cards, and envelopes
- New York sales tax
- Personal items
- Professional services
- Purchases which are required to be reported in a specific manner such as, but not limited to, personnel services, travel expenses, payroll advances, and business meals
- Renovations or remodeling (on campus)
- Seminars and memberships
- Telephones and cell phones
- Weapons and ammunition

The Purchasing Department has the authority to make exceptions to the above list when special or unusual circumstances apply. Approval for exceptions must be received prior to purchasing items listed above.

An employee purchasing items using petty cash funds is required to follow these procedures:

1. Obtain prior approval from the fund custodian. The employee completes a *Petty Cash Voucher Form* that includes the following information:
 - a. Amount
 - b. Date
 - c. Purpose
 - d. Recipient
 - e. Recipient's signature
2. Obtain, when necessary, the District sales tax number from the petty cash custodian since New York sales tax is not reimbursable

3. Obtain, when necessary, a petty cash advance from the fund custodian. The advance is provided to the employee only to purchase legitimate petty cash items. The custodian is responsible for ensuring the employee returns any unused cash
4. Make the purchase, paying for the item with personal monies or with the petty cash advance and obtain an itemized receipt or cash register sales slip
5. Present the original sales receipt or cash register sales slip to the petty cash custodian. The receipt(s) must include:
 - a. Description of the item(s)
 - b. Date of purchase
 - c. Place of purchase
 - d. Itemized amounts
 - e. Purpose
 - f. Signature of purchaser
6. Receive reimbursement for the purchase from the petty cash custodian when personal monies are used or return any unused portion of the petty cash advance to the petty cash custodian immediately after the purchase is made.

Replenishment of Petty Cash Fund:

Replenishment of the petty cash fund should be done on a timely basis. All petty cash funds must be reimbursed at least quarterly during the fiscal year, regardless of the dollar amount to be reimbursed. In addition, all funds should be replenished at the fiscal year end so there are no outstanding receipts as of June 30.

The Petty Cash Reimbursement Request Form for the amount to be reimbursed must be completed and sent to the Accounts Payable Department by the petty cash custodian along with a copy of the original receipts.

The reimbursement request should include the following:

- Name, Department and the fund custodian
- Date of each receipt
- Account code to be charged
- Amount

Each receipt should be listed individually with the account code and amount included. The fund custodian's signature and department must also be completed.

A reconciliation of the petty cash fund must be performed on a regular basis. Complete the Petty Cash Reconciliation Form to insure the receipts plus cash on hand is equal to the amount of the authorized petty cash fund. Submit the above form to the Purchasing Agent for review.

If receipts plus cash on hand are more than the authorized amount, this is an overage and must be deposited in the Business Office.

If the receipts plus cash on hand are less than the authorized amount, this is an overage and must be deposited in the business office.

If the receipts plus cash on hand are less than the authorized amount, this is a shortage. If the amount is significant, it should be reported to the Business Office immediately for investigation. If the amount is less than \$1, report this on your petty cash reimbursement request.

Transferring Petty Cash Fund Custodianship:

The Principal is responsible for reporting any changes in petty cash custodians to the Purchasing Department.

When a new custodian is to take charge of a petty cash fund, the former custodian replenishes the fund so that the fund has the established amount of cash on hand.

The Principal sends a memo to the Purchasing Agent which indicates:

- Removal of the former custodian from the fund
- The new fund custodian's name and identification number
- Signature of the new custodian

This memo must be sent to the Purchasing Department prior to any petty cash replenishments to the new custodian.

Accounts Payable will not reimburse a petty cash custodian unless the name is on file as the current custodian.

Closing Petty Cash Funds:

When a petty cash fund is no longer needed, the fund custodian should replenish the fund to the authorized amount. This amount must then be returned to the Business Office.